



EXHIBIT 7
DATE Feb. 3, 2011
HB _____

BEAR PAW DEVELOPMENT CORPORATION OF NORTHERN MONTANA

48 Second Avenue • Suite 202 • PO Box 170 • Havre, MT 59501 • 406.265.9226 • fax: 406.265.5602 • www.bearpaw.org

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Pam Lemer

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Michele Turville

February 2, 2011

Chairman Walter McNutt

Montana House of Representatives

Appropriations Committee

Montana State Capitol

Helena, MT 59620

Dear Chairman McNutt and Members of the House Appropriations Committee:

I am writing to express my deep opposition to HB 316 and the drastic cuts this bill would make in valuable Economic Development Programs for Montana. As our state moves forward in its recovery from the recent economic recession, these programs are vital to starting businesses, creating jobs, and enhancing the overall success of Montana's entrepreneurs.

The Montana Cooperative Development Center and its employees have worked diligently with Montana businesses to explore the development of cooperatives in all 56 counties and 7 reservations in Montana, forming 40 businesses (over 7 years) and enabling the creation of 442 full time jobs. Additionally, the Montana Cooperative Development Center provides valuable training opportunities, financing options, and legal assistance, all while providing education and the promotion this highly successful business model. This program was recently evaluated in the 2009 legislative session, and was found to be a very important business development tool, worthy of continued investment by the State of Montana.

I understand the difficult decisions you are faced with during this legislative session; however, cutting funding for the tools that enable the job creation and economic growth we are striving to achieve would be detrimental to the economic recovery and sustainability of the State of Montana. I strongly urge your opposition to HB 316.

With Regard,

Pamela Lemer

Value Added Agriculture Coordinator

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January 11th, 2009

House Appropriations Committee
Chairman Walter McNutt and Members of the Committee
State Capitol
Helena, MT 59620

RE: HB 316 - Redistribution of Certain Revenue and Income to the State General Fund

On behalf of the Eureka Rural Development Partners Board of Directors and staff, I am writing to express our concern with HB 316. Eureka Rural Development Partners (ERDP) is a local development organization in North Lincoln County, Montana serving Northwest Montana. We believe that the proposed revision of the allocation of the Coal Severance Taxes and the potential transfer of funds from the Big Sky Economic Development Fund will have a negative impact in our area and for the State of Montana.

The HB 316 is revisiting programs that in 2009 the Legislature determined was critical to Montana's overall economic prosperity. For us that are in the field working day to day on economic development it is essential that we have the proper programs to expand and retain business and jobs, as well as attract and create new businesses and jobs. If our programs, which deal with infrastructure, job creation, business investment and expansion, and community needs, are cut the State of Montana businesses will be at an economic disadvantage.

HB 316 calls for changes in the key economic development and infrastructure investment programs and tools that Economic Developers and Montana businesses rely on including:

- Montana Cooperative Development Center
- MT Growth through Agriculture
- Small Business Development Centers
- Small Business Innovative Research
- Montana Manufacturing Extension Center
- Montana Export Trade Enhancement
- Montana Research and Commercialization
- Big Sky Economic Development Fund
- Treasure State Endowment Fund

Through ERDP's partnership with Montana Cooperative Development Center (MCDC), we provide business assistance across the corner of Northwest Montana as a Cooperative Development Specialist. The MCDC is the ONLY designated state wide organization committed solely to developing businesses using the cooperative business model in all 56 counties and 7 reservations.

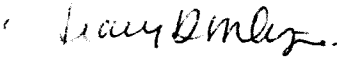
The cooperative business model is probably the most complex of the business structures in Montana. Cooperatives are owned by their members, which at times mean working with large numbers of people. It requires hours of work just to bring the group to the point they agree on what the purpose is for forming the cooperative. ERDP is utilizing the cooperative business model the Forest Related industry, a key

Eureka Rural Development Partners is an equal opportunity provider.

industry for Western Montana. We are working with a group of individuals from the Troy/Yaak communities in cooperative bid processes and contract work to help them compete with out of state companies on National Forest Service Contracts.

Overall, ERDP is in strong support of the above mentioned programs and as such we stand in opposition to HB 316. We urge the Legislature to find means to keep the programs are utilized to create business and job growth intact and funded as we cannot create economic vitality without investment from State.

Sincerely,



Tracy D. McIntyre
Executive Director



118 E. Seventh St.; Suite 2A Anaconda, MT 59711
ph: 406.563.5259 fx: 406.563.5476
<http://www.medamembers.org>

MEDA represents over 230 members who are actively involved in local economic activity, community development, job retention and job creation for Montana.

February 3, 2011

TO: Walter McNutt, Chair, and the House Joint Appropriations Subcommittee on Long Range Planning

**RE: HB316 Redistribute Certain Revenue and Income to State General Fund; Section C
Montana Cooperative Development Center and Growth through Agriculture**

Montana Economic Developers Association (MEDA) stands in opposition to HB316. Transferring a portion of the corpus of the Big Sky Economic Development Fund, the Treasure State Endowment Fund and revising the allocation of Coal Severance Taxes is not in the best interest to Montana's economy.

It should be noted that all of these programs were extensively reviewed by the 2009 Legislature which determined that each of them made a critical contribution to Montana's continued economic growth. Each of these programs was funded by the 2009 Session and they were extended through 2019. Revisiting them at this time as we focus on job creation and business expansion seems contradictory. In addition to reducing funds available for planning and infrastructure projects, the changes proposed in HB316 would critically impact key economic development programs and tools that businesses across the state depend on for support.

In particular for this hearing today, MEDA emphasizes support for 1). Montana Cooperative Development Center (MCDC) and 2.) Montana Growth through Agriculture (MGA).

1. Since its inception in 2000, Montana Cooperative Development Center (MCDC) has demonstrated a proven track record in providing technical assistance in rural areas for a wide variety of cooperative ventures and has accomplished effective outcomes:
 - ✓ Secured **4.1 million dollars in grant assistance and member equity/matching funds using the state appropriation funds as leverage.**
 - ✓ Assisted in **creating or retaining 442 FTE jobs** through the assistance of existing cooperatives or creation of new cooperatives.
 - ✓ Provided hands-on assistance to **127 entities with Cooperative Business Education and Project Management;**
 - ✓ MCDC Projects: Linx Transportation Cooperative, Montana Branded Beef Cooperative, Last Chance Café Cooperative, Got Socks Clothing Store, Montana Midwives Cooperative, National Native Leadership Cooperative and Riverside Crossing Senior Housing Cooperative.
2. The Montana Growth Through Agriculture program has been in existence for 24 years and is the only source of funding from the State available to ag entrepreneurs to help initiate value-added, start-up ventures:
 - ✓ Since program inception in 1987, the GTA program has awarded \$10,477,417 in grants and loans to 475 businesses. **That amount has been matched by private funding and in-kind donations totaling \$200,080,762.**

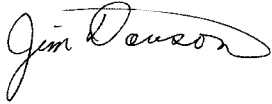
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- ✓ At a minimum, every dollar invested through the GTA program is leveraged with one additional dollar, assuring buy-in by ag entrepreneurs and stretching the state's investment two-fold.
- ✓ Focuses on projects that create jobs, enhances our rural economy and promotes adding value to our agricultural commodities.

While it is prudent to review programs for effectiveness it is important to convey a sense of continuity and balance to encourage prospective businesses. As our state is facing unacceptably high unemployment rates as the result of tough economic times now is not the time to reduce tools that provide continued growth for Montana's economy.

Signed,



Jim Davison
MEDA President



Paul Tuss
Bear Paw Development



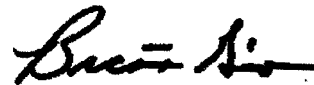
Larry Mires
St. Mary's Rehabilitation Project



Chris Helland
Two Rivers Economic Growth



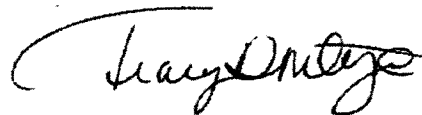
Rick Edwards
MEDA Legislative Committee Chair



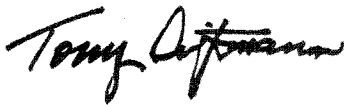
Brian Gion
Montana Cooperative Development Center



Terry Myhre
Montana Business Assistance Connection



Tracy McIntyre
Eureka Rural Development Partners



Tony Sitzmann
Sweetgrass Development Corp.



Jim Atchison
Southeastern Montana Development Corp.



Steve Arveschoug
Big Sky EDA

Brian Gion

From: Mary Ann Murray [lige@wb.midrivers.com]
Sent: Tuesday, February 01, 2011 7:39 PM
To: Brian Gion
Subject: Support letter

February 2, 2011

Chairman Walter McNutt and members of the House Appropriation Committee,

Montana Women Involved in Farm Economics, WIFE, supports the Montana Cooperative Development Center as MCDC has been very successful in assisting businesses where the need for the cooperative model existed. MCDC is the only state wide organization committed to solely organizing businesses with the cooperative model. MCDC has assisted many communities with cooperatives to fill a void which existed in the community. There is the need for a service and the manpower to fill the need, but there needs to be the guidance to establish the business to make it a success. MCDC has been that catalyst.

MCDC has received recognition nationally for its success. Many hours are spent meeting with members of prospective cooperatives and in the visibility stages. In the last 7 years 40 cooperative businesses have been formed. MCDC has assisted in creating or retaining 442 FTE jobs through their assistance. MCDC has directed and managed 44 feasibility studies, 62 business and marketing plans, assisted 21 entities with applied research, provided legal assistance to 45 projects and financing for 41 projects. MCDC has provided training opportunities for 79 projects.

Some of the projects MCDC has assisted with include, but are not limited to: Linx Transportation Cooperative, Montana Branded Beef Cooperative, Last Chance Café Cooperative, Got Socks Clothing Store Cooperative, Montana Midwives Cooperative, National Native Leadership Cooperative, and Riverside Crossing Senior Housing Cooperative. As you can see these are very diverse in their scope and are filling a void in communities.

It is for these reasons that Montana WIFE supports the Montana Cooperative Development Center.

Thank you.

Mary Ann Murray
Montana WIFE

487 S Sand Creek Rd
Jordan, MT 59337

To Whom It May Concern,

I am a certified nurse-midwife in Kalispell, Montana, and I got the idea to form a cooperative of local midwives a while back. I didn't know at the time that 'cooperative' was actually a legal entity, even though I know of some agricultural, organic co-ops. And save for the Wikipedia entry on cooperatives, my internet searches usually resulted in fruitless results, and frustrating dead ends; I couldn't find out anything on the specifics of whether a cooperative was a good fit for my ideas, exactly how a cooperative works, much less how to go about setting one up.

Then I stumbled on MCDC and met Brian. At first I thought he must work for the state of Montana because he was accessible and free! But he clarified that he operated as a non-profit and that he really was just here to help me out, answer my questions, and guide me/us in the right direction. He even offered numerous times to come meet with my prospective cooperative group. He explained that he got grants with which to help me.

If it weren't for Brian's help and guidance I honestly do not know where I would be in this complex process of forming a cooperative. I might sincerely have given up, since I am not the type to hire a lawyer or anything like that. My fellow midwives and I do not know much about complex business entities, because we usually operate as sole proprietors. I have probably spoken with him at least half a dozen times on the phone in just the last couple of weeks, he emails with me promptly, and we have an appointment set up in August for our first official cooperative meeting, which he will help guide us through, if all goes well by then.

Brian tells me we will be the first midwife cooperative in the state, and I think health care cooperatives are relatively rare compared to agricultural cooperatives. We plan to also open the first freestanding birth center in our corner of the state, and everyone who hears about our endeavor is delighted with what it will mean for our community. Because cooperatives are about community and the people in the community, more than the money, it is so nice to be able to proceed with our goals without having to worry about where we will come up with money with which to pay a cooperative advisor. Without Brian's generous and friendly guidance, this dream of ours might have stagnated and died. We are all very grateful to him for helping us, and recommend him highly to anyone even thinking about forming a business.

Sincerely,

Sharise Clostio



Community
GATE

Giving Assistance Towards Employment

121 S Douglas
Glendive, MT 59330
phone: 406-377-4277
fax: 406-377-2022

www.communitygate.org

February 1, 2011

Re: Funding for the Montana Cooperative Development Center

To Whom It May Concern:

Community Giving Assistance Toward Employment (GATE) fully supports the efforts of MCDC to increase the capacity of new and existing food, agricultural and renewable energy businesses across rural Montana. By implementing strategies to improve access to technical assistance for rural agriculture and food-related businesses, expanding local and regional food system development, and increasing the use of renewable energy and increased energy conservation, we will be ensuring the sustainability of our rural communities and the state, as a whole.

We hope that even with the budget problems the state may be having that the funding that allows MCDC to operate in the efficient and effective manner that they have in the past, remain in place, so that they can continue the good work that they have been doing throughout the state.

If you have any questions about our support of MCDC and the important work that they have been doing, please do not hesitate to contact me.

Thank you for reviewing my letter of support.

Sincerely,

Bruce Smith
Farm-to-Table Project Director &
Community GATE Treasurer



Ravalli County Economic Development Authority

January 31, 2011

Montana Cooperative Development Center
Brian Gion
PO Box 3027
Great Falls, MT 59403

Re: Letter of Support for Montana Cooperative Development Center

To Whom It May Concern:

Montana Cooperative Development Center (MCDC) provides a focal point from which well organized, highly technical training, that is necessary to promote the co-op model, can occur. The training and support is indispensable to the Technical Assistant (TA) Network and Ravalli County Economic Development Authority's ability to promote this business model.

Our region has been part of the MCDC TA Network for six years. In that time we have assisted the Bitterroot Valley Food Co-op with grant writing, and technical assistance. The BV Food Co-op has successfully incorporated and is working on their capital campaign.

Sr. Housing Cooperatives continue to be at the fore front of our work in Ravalli County. The Ravalli County Council on Aging is in the near beginning construction on a \$7 million dollar Senior Housing Cooperative, the first in Montana. This project is estimated to bring \$94,500 in additional tax base in to the City of Hamilton as well as providing housing that allow our senior citizens to remain in our community and participate in a thriving economy.

Ravalli County has grown from 14,000 in population to 40,000 in just 30 years. Prior to this growth trend the population was stable for decades. Today, our population continues the upward climb. Newcomers bring wealth and new ideas. Montana natives and newcomers have much common ground however the communication process requires patience fostered by the need to work together.

Our traditional resource driven economy is now service sector driven with only 2% coming from the traditional mining and agricultural jobs.

The co-op model allows an age old principal of working together to merge with 21st century new economy principals. Co-ops allows those that were from traditional jobs to explore their entrepreneurial side by sharing in risk and capitalization costs. Housing that is becoming largely unaffordable benefits from cooperative, affordable housing models.

Ravalli County has one of the fastest aging populations in the nation. While this demographic brings much that is positive it also brings challenges for school levies. Because school levies have not been successful housing entry level teachers through a cooperative is being explored. The need for the cooperative business model, the concept of working together, continues to grow.

If the Montana Cooperative Development Center (MCDC) were not funded Ravalli County Economic Development Authority would continue to try to provide information on the cooperative business models.

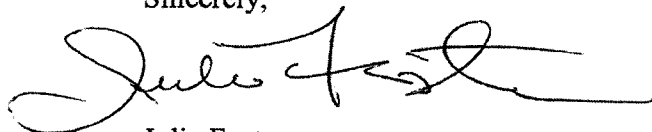
However, our finely honed edge of knowledge would go away because no single community / economic development organization could possibly provide the depth of training and support we receive from MCDC via our TA Network.

With substantial cuts in almost all federally funded economic development resources loosing MCDC would be a substantial hardship for our organization as well as all the other economic development organizations in the state of Montana.

We have come to rely on the training and assistance available through MCDC. The cooperative model has been integrated into our knowledge base and offerings to our community. Please ensure that our hard work and the hard work of our community leaders are supported.

We respectfully request your full support of Montana Cooperative Development Center's grant request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julie Foster', with a stylized, flowing script.

Julie Foster,
Executive Director



Montana Electric Cooperatives' Association

Robert Evans, Jr.
President

Rick Molvig
Vice President

Leonard Sivumaki
Secretary/Treasurer

David M. Wheelihan
Chief Executive
Officer

February 2, 2011

The Honorable Walter McNutt
Chairman
House Appropriations Committee
Montana House of Representatives
Helena, Montana 59620

Dear Chairman McNutt:

On behalf of 25 electric distribution cooperatives serving more than 400,000 Montanans, we are writing to express our support for continued full funding of the Montana Cooperative Development Center (MCDC).

A legislative proposal to reduce funding by 10 percent would be extremely harmful to MCDC, which currently receives slightly more than only \$60,000 annually in state funds. In view of MCDC's outstanding performance in the past few years, this reduction would be particularly unfortunate.

To our knowledge, MCDC is currently the only organization in Montana assisting in business development for cooperatives. In the past seven years, MCDC has assisted in the development of 40 cooperatives. These cooperatives are providing jobs and keeping businesses operating in our rural communities.

In short, the state's investment in MCDC is money well spent, funds that are a many-fold return to the rural economy of our state.

Again, we urge that MCDC funding not be reduced.

Sincerely,

Dave Wheelihan
CEO

Montana Electric Cooperatives' Association
Great Falls, MT 59403

501 Bay Drive

P.O. Box 1306

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